

**FINANCE AND ADMINISTRATION - DISBURSING OFFICER (620)**

**FISCAL YEARS 2018 & 2019**

**Per Executive Recommendation**

**I) AGENCY SUMMARY & REVENUE SOURCES**

**MISSION**

The Department of Finance and Administration is designated as the Disbursing Officer for any miscellaneous appropriations whose purpose is not clearly chargeable to any specific state agency.

**TOTAL APPROPRIATION**

The total appropriation for DFA-Disbursing Officer for FY2018 is \$3,238,216,293 and total appropriation for FY2019 is \$3,238,246,902.

**FUNDING SOURCE**

These appropriations are funded by General Revenue, Special Revenue, Trust funds, Budget Stabilization Trust Fund, fees, M & R Sales proceeds, State Administration of Justice Fund, Workforce 2000 Fund, transfers from state agencies and other miscellaneous sources.

**II) CHANGE LEVEL REQUESTS**

**Child Abuse/Rape/Domestic Violence Contract (UAMS) - Appropriation 131**

The general revenue-funded appropriation reimburses expenses for this UAMS Commission. The increase of \$650 each year restores the currently authorized amount.

**Child Welfare Restructuring (UAMS) - Appropriation 133**

This general revenue-funded appropriation provides payment for services related to child abuse complaints. The increase of \$2,796 each year provides restoration of appropriation to currently authorized amount.

**Arkansas Children's Hospital (ACH) - Appropriations 081,232,2DE, & 33M**

These general revenue funded appropriations provide assistance to Arkansas Children's Hospital. Provides a total increase \$36,006 each year to restore the FY2017 authorized appropriation amounts for the following appropriations:

| <u>Appropriation</u>            | <u>Amount of Increase</u><br><u>Each Year</u> |
|---------------------------------|---|
| -Intensive Care Nursery         | \$13,006                                      |
| -Reproductive Health Monitoring | 6,000   |
| -Burn Center                    | 10,000  |
| -Hospital Payments              | 7,000   |

**State's Contributions - Appropriation STC**

The following general revenue-funded appropriations provide for payment of dues to various organizations. Provides for a net decrease of (\$30,508) for FY2018 and a net increase of \$101 for FY2019 for the payment of assessments/dues for the following fourteen organizations:

| <u>Organization/Appropriation</u> | <u>FY2018</u><br><u>Change</u> | <u>FY2019</u><br><u>Change</u> |
|-----------------------------------|--------------------------------|--------------------------------|
| National Governor's Association   | (\$19,407)                     | (\$14,407)                     |

|   |              |              |
|---|--------------|--------------|
| Southern Governor's Association               | (45,000)     | (45,000)     |
| National Conference of State Legislators      | 0            | 1,899        |
| Southern Growth Policy Board                  | (28,200)     | (28,200)     |
| State & Local Legal Center                    | (1,365)      | (1,165)      |
| Southern Regional Education Board             | (4,500)      | 2,000        |
| Southern States Energy Board                  | (579)        | (579)        |
| National Center for State Courts              | (5,322)      | (322)        |
| Delta Regional Authority                      | 80,500       | 80,500       |
| Council of State Government                   | 6,374        | 11,374       |
| National Association of Attorneys General     | 1,506        | 2,506        |
| National Association of State Budget Officers | 935          | 1,945        |
| Low Level Radioactive Waste Compact           | (20,000)     | (20,000)     |
| Multi-State Tax Commission                    | <u>4,550</u> | <u>9,550</u> |
| Total   | (\$30,508)   | \$ 101       |

**National Conference on Uniform State Laws (Appropriation 080)**

This general revenue-funded appropriation provides for the yearly assessment for the National Conference on Uniform State Laws. Provides for a decrease of (\$7,525) each year due to a fee decrease for the national organization.

**Personal Services Pay Plan Adjustment (Appropriation 285)**

This appropriation authorizes transfers to various agencies in the event of insufficient appropriation authority. Provides an increase of \$45,000,000 for the implementation of the proposed Pay Plan, and reallocates the following 3 appropriations into the one Personal Services Pay Plan Adjustment Appropriation to provide better accounting of additional payroll needs of the State:

| <u>Appropriation</u>                | <u>Amount of<br/>Change Each Year</u> |
|-------------------------------------|---------------------------------------|
| Regular Salaries - State Employee   | (\$1,000,000)                         |
| Regular Salaries - Elected Officers | (1,500,000)                           |
| Personal Services Matching          | (4,000,000)                           |

**Pay Plan Adjustment - Various Agencies (Appropriation A09)**

Provides a \$5,000,000 increase each year for the implementation of the proposed State Pay Plan.

**III) ADDITIONAL POSITIONS (Total FY2017 Authorized Positions: 0)**

Total Authorized Positions FY2019: 0

Total Authorized Positions FY2018: 0

Total Base Level Positions: 0

Increase / (Decrease): 0

Extra Help Positions FY2018 & FY2019: 0 (Total FY2017 Authorized Extra Help: 0)

#### **IV) SPECIAL LANGUAGE**

**CLASSIFICATION AND USE OF APPROPRIATIONS:** Agencies receiving funds from the Marketing and Redistribution appropriation are required to use funds on Maintenance and General Operations. Expenses for Conferences and Travel or Professional Fees and Services are not allowed.

**TRANSFER PROVISION -MARKETING AND REDISTRIBUTION:** Agencies will receive funds equal to the proceeds derived from the disposal of property by the Marketing and Redistribution division.

**\*LANGUAGE TO BE DELETED\* TRANSFER PROCEDURES-MATCHING:** If agencies do not have sufficient appropriation for personal services matching, they may request a transfer from DFA. Requests must be specific and they are required to be approved by the Chief Fiscal Officer of the State. The State Auditor will also be notified. Transfers that exceed \$1,000 require prior review by the Arkansas Legislative Council or Joint Budget Committee.

**\*LANGUAGE TO BE DELETED\* TRANSFER OF APPROPRIATION-ELECTED OFFICERS:** The Chief Fiscal Officer of the State may transfer appropriation to any office of an elected Constitutional Officer, the Bureau of Legislative Research, Division of Legislative Audit, or the Judicial Department if sufficient appropriation is not available to pay for Regular Salaries. This transfer is subject to review by the Arkansas Legislative Council or Joint Budget Committee. The State Auditor will also be notified.

**\*LANGUAGE TO BE DELETED\* TRANSFER PROCEDURES-REGULAR SALARIES:** The Chief Fiscal Officer of the State may transfer appropriation to any state agency if sufficient appropriation is not available to pay Regular Salaries. This transfer is subject to review by the Arkansas Legislative Council or Joint Budget Committee. The State Auditor will also be notified.

**RESTRICTIONS-MISCELLANEOUS TRANSFERS:** Act does not give authority to use general revenues to fund appropriations for supplementing constitutional officers and state agencies.

**RESTRICTIONS. TRANSFER PROVISIONS:** Transfers for Refunds to Expenditures are based on the availability of proceeds from insurance policies for casualty losses, overpayment of obligations, overpayment of salaries, over-allocation of federal assistance, maturity or redemption of investments, and subrogation payments received for workers' compensation claims paid. Chief Fiscal Officer of the State has discretion to administer rules and regulations regarding these transfers.

**\*REVISED LANGUAGE\* TRANSFER PROCEDURES-PERSONAL SERVICES OVERTIME:** The Chief Fiscal Officer of the State may transfer appropriation to any state agency if sufficient appropriation is not available to pay overtime and related personal services matching, as provided in the Miscellaneous Transfers Appropriation Section. This transfer is subject to prior review by the Arkansas Legislative Council or Joint Budget Committee. The State Auditor will also be notified.

**CLASSIFICATION AND USE OF APPROPRIATIONS-REFUND TO EXPENDITURES:**

Transfers to various agencies must comply with the General Accounting and Budgetary Procedures Law of Arkansas.

**DISBURSING PROCEDURES:** The Department of Workforce Services will make quarterly reports to state agencies regarding unemployment benefits paid to former state employees. The Chief Fiscal Officer of the State will review payments and reimburse funding to the Department of Workforce Services.

**TRANSFER PROCEDURES-CASH FUNDS:** Agencies may request a transfer of appropriation from the Chief Fiscal Officer of the State if the General Assembly does not provide appropriation for cash fund expenditures. Transfer is subject to review by the Arkansas Legislative Council or Joint Budget Committee.

**MISCELLANEOUS FEDERAL PROGRAMS:** Appropriations provided to state agencies, Various State Agencies-Cash, are not intended for new or unanticipated federal funds or programs. Funds shall be deposited in State Treasury.

**SALARIES:** Various State Agencies-Cash, does not give the authority to create new positions in state agencies. Salaries paid from this transfer are subject to the Regular Salaries Procedures and Restrictions Act.

**REPORTING:** The Chief Fiscal Officer of the State shall make a cumulative report of all appropriations transferred and all additional positions authorized under Miscellaneous Federal Programs to the Arkansas Legislative Council or Joint Budget Committee.

**\*REVISED LANGUAGE\* TRANSFER PROCEDURES-PERSONAL SERVICES AND REGULAR SALARIES:** The Chief Fiscal Officer of the State may transfer appropriation to agencies for Personal Services for any office of an elected Constitutional Officer, including the Bureau of Legislative Research, Division of Legislative Audit, or Judicial Branch, if it is determined the General Assembly did not provide sufficient appropriation. Transfers will be reviewed by the PEER Subcommittee of the Arkansas Legislative Council or Joint Budget Committee. The State Auditor will also be notified. In certain cases the Chief Fiscal Officer of the State may also approve any transfers on an emergency basis and provide a report to PEER Committee.

**FUNDING TRANSFER-MERIT ADJUSTMENT FUND:** Compensation increases and appropriation transfers for agencies that are funded by general revenue shall be provided from the Merit Adjustment Fund to the fund account determined by the Chief Fiscal Officer of the State. Actions are reviewed by the PEER Subcommittee of the Arkansas Legislative Council or Joint Budget Committee. Agencies shall make any salary savings available to fund these requests.

**\*REVISED LANGUAGE\* PUBLIC DEFENDER:** Appropriation for Public Defender Reimbursement shall be expended only for reimbursing the Public Defender of Pulaski County for defense of the mentally ill.

**CREDIT TO THE INDIGENT PATIENTS FUND:** Revenue from additional days of racing will be deposited as special revenue credited to the Indigent Patients Fund and will be used to defray healthcare costs for indigent patients in facilities located Mississippi County, Poinsett County, Cross County, St. Francis County, and Lee County. Amount available to

each county is 1/5 of the total funds available, or the total amount of unreimbursed medical expenses, whichever is less.

**JUVENILE TRANSPORTATION:** Funds for Transportation of Juveniles are intended for grants/reimbursements to cities and counties to transport juveniles to facilities approved by the court or as provided by law. The Office of Criminal Detention Facilities Review Coordinator develops procedures to administer grants/reimbursements.

**SHERIFFS ASSOCIATION:** Arkansas Sheriffs Association to use proceeds for crime prevention, alcohol, and drug abuse programs. Proceeds may also be used for grants to sheriffs' offices for developing and improving education programs. Payments are made on a monthly basis.

**DISTRIBUTION OF ADMINISTRATION OF JUSTICE FUNDS:** If the Administration of Justice Fund does not have sufficient funding to meet obligations, the remaining funds in this account will be distributed to fully fund the Trial Court Administrative Assistants Fund, the District Judges Association for the District Court Coordinator, and the Court Reporter Fund, as provided for Allocation Restrictions. If proceeds are still available after this distribution, the balance of funds will support the remaining items, Allocation Restrictions, as a percentage of their share of the total appropriation. The exception to this funding formula are items pledged prior to 2001 with bond issues. These items shall not be reduced lower than their amount listed. Adjustments may be made in future months as more funds become available.

**ALLOCATION RESTRICTIONS:** Language sets funding amounts for state agencies and programs supported by State Agencies Distribution.

**YEARLY FUND TRANSFERS:** The Chief Fiscal Officer of the State may transfer funds from State Administration of Justice Fund to the Crime Victims Reparations Revolving Fund to provide for personal services, operating expenses, and claims for the Office of the Attorney General-Crime Victims Reparations Program if the fund balance in the Crime Victims Reparation Revolving Fund falls below \$1 million. Transfer is limited to \$1 million from State Administration Fund balances that exceed \$7 million.

**FUNDING TRANSFER-FIRE AND POLICE PENSION:** The Arkansas Fire and Police Pension Review Board reports to the Chief Fiscal Officer of the State the financial support needed by under-funded municipal fire and police relief and pension plans as directed in Arkansas Code 24-11-217. The Chief Fiscal Officer of the State shall then immediately transfer amounts from the Revenue Holding Fund Account to the Arkansas Fire and Police Pension Guarantee Fund.

**FUND RESTRICTIONS-FIRE AND POLICE PENSION:** Under-funded local pension programs may not use funds distributed in appropriation Firemen's and Police Officers' Pension and Relief Fund to enhance benefits of the recipients.

**WORK FORCE 2000 DISTRIBUTION:** The Chief Fiscal Officer of the State shall transfers funds from the Work Force 2000 Development Fund to the fund accounts that support technical colleges and lifelong learning centers. Institutions receive these funds in addition to the appropriations and allocations provided by the General Assembly for personal services and operating expenses.

**JUVENILE DETENTION FACILITIES-ALLOCATION:** Language sets allocations to county juvenile detention facilities throughout the state. The distributions may be adjusted depending on actual funding provided. Should a facility close, the excess funds will be shared among the remaining facilities based on the proportion of funding they receive.

**\*LANGUAGE TO BE DELETED\* ARKANSAS CHILDREN'S HOSPITAL APPROPRIATION-TRANSFER AUTHORIZED-INTENSIVE CARE NURSERY:** The Arkansas Children's Hospital may request a transfer not to exceed \$233,600 from the Miscellaneous Agencies Fund Account to match federal funds in supporting the Intensive Care Nursery.

**\*LANGUAGE TO BE DELETED\* ARKANSAS CHILDREN'S HOSPITAL APPROPRIATION-TRANSFER AUTHORIZED-CHILDREN'S HOSPITAL PAYMENTS:** The Arkansas Children's Hospital may request a transfer not to exceed \$700,000 from the Miscellaneous Agencies Fund Account to match federal funds in supporting Children's Hospital Payments.

**\*LANGUAGE TO BE DELETED\* ARKANSAS CHILDREN'S HOSPITAL APPROPRIATION-TRANSFER AUTHORIZED-REPRODUCTIVE HEALTH MONITORING:** The Arkansas Children's Hospital may request a transfer not to exceed \$600,000 from the Miscellaneous Agencies Fund Account to match federal funds in supporting Reproductive Health Monitoring.

**\*LANGUAGE TO BE DELETED\* ARKANSAS CHILDREN'S HOSPITAL APPROPRIATION-TRANSFER AUTHORIZED-INTENSIVE CARE NURSERY:** The Arkansas Children's Hospital may request a transfer not to exceed \$1 million from the Miscellaneous Agencies Fund Account to match federal funds in supporting the Intensive Care Nursery for helicopter patient transport.

**TRANSFER OF FUNDS FOR THE PROGRAM-CA/R/DV-UAMS:** The Department of Human Services may provide UAMS with a maximum of \$300,000 to expand services of the Child Abuse/Rape/Domestic Violence section.

**ARKADELPHIA 2025 COMMISSION:** Creates commission comprised of elected officials, business leaders, and citizens in Arkadelphia to determine the needs of the city, raise and spend funds to meet needs, and coordinate activities among all levels of government and the private sector. Commission is subject to audit by the Division of Legislative Audit.

**STATE'S CONTRIBUTIONS:** The director of the Department of Finance and Administration may transfer appropriation and funding between items in State's Contributions. Excess funds may be carried forward.

**\*REVISED LANGUAGE\* TRANSFER PROCEDURES-PERSONAL SERVICES STIPENDS:** Agencies that process payroll through AASIS shall request a transfer from Various State Agencies by the Chief Fiscal Officer of the State if the agencies do not have sufficient appropriation for personal services or personal services matching. If the transfer exceeds \$10,000 the Arkansas Legislative Council or Joint Budget Committee must review.

**POSITION ESTABLISHMENT:** The Chief Fiscal Officer of the State has the authority to establish positions to process payroll through AASIS. The positions do not count toward total number of authorized positions for an agency, and the positions are not eligible for retirement or health insurance benefits. There is a limit of 250 positions in a year.

**\*REVISED LANGUAGE\* TRANSFER AUTHORIZED-ARKANSAS CHILDREN'S HOSPITAL:**

The Arkansas Children's Hospital may request a transfer of no more than \$1,000,000 from the Miscellaneous Agencies Fund Account for the hospital's burn center, \$700,000 for the Children's Hospital Payments, \$600,000 for the Reproductive Health Monitoring, and \$233,000 for the Intensive Care Nursery each year for matching federal funds for supplemental Medicaid payments to ACH. They may also request no more than \$1,000,000 from the Miscellaneous Agencies Account for the Intensive Care Nursery to the DHS Grants Fund Account to match federal Medicaid funds for cost based reimbursement for helicopter patient transport.

**INNOVATION AND PROJECT DEVELOPMENT FUND TRANSFERS:** Federal rules require an innovation and project development appropriation and general revenue fund account for the Department of Information Systems. The agency is responsible for maintaining documentation of project billings. Fund transfers may be made from the General Revenue Fund Account, with approval from the Chief Fiscal Officer and prior review from the Arkansas Legislative Council and Joint Budget Committee.

**WORK FORCE 2000 DISTRIBUTION:** Language transferred from Department of Workforce Education regarding distribution of Workforce 2000 funds.

**\*REVISED LANGUAGE\* TRANSFER PROCEDURES-PERSONAL SERVICES EXTRA HELP:** Agencies may request the Chief Fiscal Officer of the State to transfer appropriation from personal services related to Extra Help if the agencies do not have sufficient appropriation. Transfer is subject to Chief Fiscal Officer approval, and prior review by the Arkansas Legislative Council or Joint Budget Committee and the State Auditor must be notified.

**INTRASTATE METRO PLANNING GRANTS:** The West Central Arkansas Economic Development District is included in funding for Intrastate metro Planning Grants.

**FUND USAGE AUTHORIZED:** The Arkansas Children's Hospital may request the Department of Human Services-Division of Medical Services to retain \$1,000,000 in a Grant Fund Account for matching federal funds on Medicaid payments to the hospital.